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RECORDATION NO. **23763** FILED

DEC 13 '01 3-22 PM

TS
SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

December 13, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan and Security Agreement, dated as of December 11, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower: Midwest Railcar Corporation
9876 213th Avenue, N.W.
Elk River, Minnesota 55330

Secured Party: Deutsche Financial Services Corporation
1181 C Lake Cook Road
Deerfield, Illinois 60015

A description of the railroad equipment covered by the enclosed document is:

Eleven (11) boxcars: GNWR 97000 - GNWR 97010 inclusive.

A short summary of the document to appear in the index is:

Memorandum of Loan and Security Agreement.

Mr. Vernon A. Williams
December 13, 2001
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Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LOAN AND SECURITY AGREEMENT

BETWEEN

**DEUTSCHE FINANCIAL SERVICES CORPORATION
("LENDER")**

AND

**MIDWEST RAILCAR CORPORATION
("BORROWER")**

December 11, 2001

Memorandum of Loan and Security Agreement made and entered into as of December 11, _____, 2001, by and between Deutsche Financial Services Corporation, a Nevada corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

WITNESSETH:

To secure all obligations of the Borrower under a certain Loan and Security Agreement of even date herewith (the "Loan Agreement"), the prompt payment of the principal and interest on that certain promissory note (whether now or hereafter outstanding) of even date herewith (the "Promissory Note"), all other moneys payable and to be payable to Lender under this Agreement, and any existing and future indebtedness of Borrower to Lender evidenced by any and all other promissory notes by Borrower to Lender (collectively the "Indebtedness"), and the timely and faithful performance and observance by Borrower of all of the agreements, covenants, provisions and obligations contained in this Agreement, the Promissory Note, all other loan agreements and all other promissory notes, Borrower has granted, conveyed, pledged, mortgaged, assigned, transferred and set over a security interest, and does hereby grant, convey, pledge, mortgage, assign, transfer and set over a lien on and continuing security interest unto Lender in (i) all of Borrower's right, title and interest, including any interest hereafter acquired, in every Boxcar identified on Schedule I attached hereto and made a part hereof, and any Boxcar hereafter added to Schedule I by way of supplement or amendment; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Boxcars owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Boxcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Boxcars; (iv) the Per Diem Rental Agreement dated September 5, 2001 by and between Borrower as lessor and Georgia & Florida Railnet, Inc. as lessee, and Schedules 1 and 2 thereto (the "Lease") and all bills of sale or other similar documents, agreements and instruments relating to the Boxcars, and all other leases, subleases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Boxcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder; (v) all rents, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security; and (vi) boxcars and railcars now owned or hereafter acquired by Borrower, that secure all of Borrower's existing and future indebtedness to Lender, and assignments of leases of all said boxcars and railcars, until such respective indebtedness evidenced thereby is paid in full, and there is at such time no default hereunder (the "Separate Collateral"), which for certain of the Separate Collateral, memoranda of Lender's security interest have previously been recorded with the Surface Transportation Board (the Boxcars, Documentary Security, Separate Collateral, proceeds, rights, claims and

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SURFACE TRANSPORTATION BOARD

causes of action described in items (i) through (vi) above being also known as the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Agreement.

This Memorandum of Loan and Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Loan and Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

DEUTSCHE FINANCIAL SERVICES
CORPORATION, as Lender

By: _____



Patrick J. Mazza

Title: _____

AVP

MIDWEST RAILCAR CORPORATION
as Borrower

By: _____

Richard M. Murphy

Title: President & CEO

causes of action described in items (i) through (vi) above being also known as the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Agreement.

This Memorandum of Loan and Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Loan and Security Agreement.

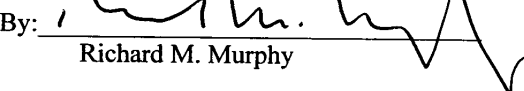
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

DEUTSCHE FINANCIAL SERVICES
CORPORATION, as Lender

By: _____

Title: _____

MIDWEST RAILCAR CORPORATION
as Borrower

By:  _____
Richard M. Murphy

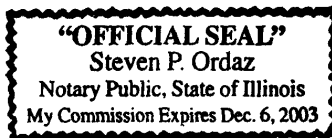
Title: President & CEO

STATE OF ILLINOIS)
COUNTY OF COOK) ss.

On this 11th day of December, 2001, before me personally appeared PATRICK J. MAZZANTI HVP to me personally known, who being by me duly sworn, says that he is the HVP of Deutsche Financial Services Corporation, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

Steven P. Ordaz
NOTARY PUBLIC

My commission expires: 12/6/03



STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of December, 2001, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires: _____

STATE OF _____)
COUNTY OF _____) ss.

On this ____ day of December, 2001, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Deutsche Financial Services Corporation, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

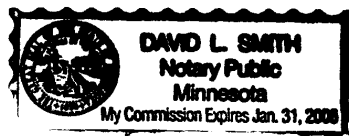
My commission expires: _____

STATE OF Minnesota)
COUNTY OF Sherburne) ss.

On this 11th day of December, 2001, before me personally appeared Richard M. Murphy to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

David L. Smith
NOTARY PUBLIC

My commission expires: 1-31-06



SCHEDULE I
TO
MEMORANDUM OF LOAN AND SECURITY AGREEMENT
BY AND BETWEEN
DEUTSCHE FINANCIAL SERVICES CORPORATION, LENDER
AND
MIDWEST RAILCAR CORPORATION,
BORROWER

DESCRIPTION OF CARS

One Page

Ten (10) sixty-foot (60') one hundred (100) ton
used boxcars equipped with load dividers, numbered
as follows:

GNWR 97000 GNWR 97005
GNWR 97001 GNWR 97006
GNWR 97002 GNWR 97007
GNWR 97003 GNWR 97008
GNWR 97004 GNWR 97009

One (1) fifty-foot (50') seventy (70) ton used boxcar,
numbered:

GNWR 97010

Lessee: Georgia & Florida Railnet, Inc.